fifteen clear days before the day, set apart for that class of Private Members' business on which he wants the motion to be taken up."

(ii) in rule 5 for the words 'commencement of the Session' the words 'day on which he wants the Bill or the resolution to be taken up' shall be substituted.

(iii) the illustration at the end shall be omitted.

2. This amendment shall be deemed to have taken effect from 1st February 1959."

The motion was adopted.

MYSORE STATE AID TO INDUSTRIES BILL, 1958

Motion to consider.

Sri B. D. JATTI (Chief Minister).—I beg to move:

"That the Mysore State Aid to Industries Bill, 1958, as reported by the Joint Select Committee, be taken into consideration."

Mr. SPEAKER.—Motion moved:

"That the Mysore State Aid to Industries Bill, 1958, as reported by the Joint Select Committee, be taken into consideration."

†Sri B. D. JATTI.—Sir, there are different laws relating to State aid to industries in force in the Mysore State. In order to have uniform legislation, the Mysore State Aid to Industries Bill, 1958 was introduced in the Legislative Assembly last time and after discussion on the Bill, this Bill was sent to a Joint Select Committee. The Bill was considered by the Joint Select Committee and it has approved the Bill with certain changes as indicated in the Report of the Select Committee. Sir, in clause 2 of the Bill, the Committee inserted definitions of 'Board' and 'Industry'. Clause 4 of the Bill relates to State Aid to Industries Board. The Committee has modified sub-clause (4) of this clause and made provision for filling up casual vacancies in the Board. Similarly, the Committee amended clause 9 which requires Directors to call for objections if the extent of aid applied for is Rs. 25,000 and more instead of Rs. 50,000. Similarly the Committee amended sub-clause (4) of this clause to make it clear that no aid should be granted if by a resolution supported by not less than 9 members of the Board rejection of the application was advised. Under clause 21, where the aid is given otherwise than by loan and is terminated, interest at 12½ per cent on the money value of the grant is realisable under the original Bill. The Committee has reduced this rate to 9 per cent. Similarly, the Committee has suggested other verbal amendments and all these verbal amendments and other amendments are before the House and they may be considered.

Mr. SPEAKER.—The question is:

"That the Mysore State Aid to Industries Bill, 1958, as reported by the Joint Select Committee, be taken into consideration."

The motion was adopted.

Mr. SPEAKER.—Clause 2. There is an amendment.

Sri B. D. JATTI.—I beg to move:

"That for sub-clause (*a*), the following sub-clause shall be substituted, namely:—

"(*a*) 'Corporation' means the Mysore Srate Financial Corporation established under the State Financial Corporations Act, 1951 (Central Act 63 of 1951);

For sub-clause (*f*), the following sub-clause shall be substituted, namely:—

"(*f*) 'small scale industry' means an industrial business or enterprise in which the capital invested does not exceed five lakhs of rupees;".

Mr. SPEAKER.—Amendment moved

"That for sub-clause (*a*), the following sub-clause shall be substituted, namely:—

"(*a*) 'Corporation' means the Mysore State Financial Corporation

(MR. SPEAKER)

established under the State Financial Corporations Act, 1951 (Central Act 63 of 1951);

For sub-clause (*f*), the following sub-clause shall be substituted, namely :—

"(*f*) 'small scale industry' means an industrial business or enterprise in which the capital invested does not exceed five lakhs of rupees ;".

†Sri B. D. JATTI.—Before I make some observations, I wish to bring to the notice of this Hon'ble House that in the year 1959, the Mysore State Corporation has advanced loans to various factories and joint stock companies and in view of that, the responsibility of the State Industries Board will not be much and it will be reduced. So, the State Government will have to advance loans to various individuals and bodies on the recommendations of some of the boards like Khadi and Village Industries Board. The Khadi Board will be advancing a loan up to the extent of Rs. 10,000. We have made certain suggestions and amendments. So, from that point of view it is necessary to move the amendments. Sir, so far as the first amendment is concerned, there was no need to have the definition of the word 'corporation', but as it is proposed under new clause 8 for granting aid through the Corporation, it is necessary to have the definition of Corporation here. This definition has, therefore, been proposed. Since it has been decided that small industries should include all industrial business and enterprises in which capital invested does not exceed Rs. 5 lakhs, irrespective of the persons employed in such factories or industry and in conformity with the decision taken by the Small Industries Board, this second amendment has been moved.

Mr. SPEAKER.—The question is :

"That for sub-clause (*a*), the following sub-clause shall be substituted, namely :—

"(*a*) 'Corporation' means the Mysore State Financial Corporation established under the State Financial Corporations Act, 1951 (Central Act 63 of 1951);

For sub-clause (*f*), the following sub-clause shall be substituted, namely :—

"(*f*) 'small scale industry' means an industrial business or enterprise in which the capital invested does not exceed five lakhs of rupees ;".

The motion was adopted.

Mr. SPEAKER.—The question is ;

"That clause 2, as amended, stand part of the Bill."

The motion was adopted.

Mr. SPEAKER.—Clause 3.

Sri G. VENKATAI GOWDA.—Sir, I beg to move :

"That for the words 'or other person,' the words 'technically qualified' shall be substituted."

Mr. SPEAKER.—Amendment moved:

"That for the words 'or other person', the words 'technically qualified' shall be substituted."

†Sri G. VENKATAI GOWDA.—Here, what the Government intends to do is to appoint any other person as Director. My amendment is very simple. I request the Government by this amendment to appoint only officers who are technically qualified. Now it does not exclude the Government from appointing any other man, even a non-official. Therefore to avoid such a contingency, I request the Government to include the words 'technically qualified', so that the Government may appoint any officer technically qualified to perform all or any of the functions of the Director of Industries under this Act.

The Government may appoint any non-official also as Director of Industries ; that man may not be suitable and the intention with which this Bill has been brought might be defeated. Therefore, I have suggested this amendment. It is very simple and

it suits any officer technically qualified being appointed to that place.

Sri B. D. JATTI.—Since clause 3 is proposed to be deleted, I oppose this amendment.

Sri G. VENKATAI GOWDA.—Then I beg leave of the House to withdraw my amendment.

The amendment was, by leave, withdrawn.

Mr. SPEAKER.—The question is:

"That clauses 3 and 4 stand part of the Bill."

The motion was negatived.

Clauses 3 and 4 were deleted from the Bill.

Mr. SPEAKER.—The question is:

"That clause 5 stand part of the Bill."

The motion was adopted.

Clause 5 was added to the Bill.

Mr. SPEAKER.—Clause 6.

Sri B. D. JATTI.—Sir, I move:

'That for the second proviso to sub-clause (1), the following proviso shall be substituted, namely:—

" Provided further that aid shall not be given under this Act to—

(i) any industrial concern to which financial assistance may be given by the Corporation to the extent to which such assistance can be given under the State Financial Corporations Act, 1951;

(ii) any industry which is a village industry as defined in the Mysore Khadi and Village Industries Act, 1956, and for which assistance is provided for by the Khadi and Village Industries Commission constituted under the Khadi and Village Industries Commission Act, 1956 (Central Act 61 of 1956) ".'

Mr. SPEAKER.—Amendment moved

'That for the second proviso to sub-clause (1), the following proviso shall be substituted, namely:—

" Provided further that aid shall not be given under this Act to—

(i) any industrial concern to which financial assistance may be given by the Corporation to the extent to which such assistance can be given under the State Financial Corporation Act, 1951;

(ii) any industry which is a village industry as defined in the Mysore Khadi and Village Industries Act, 1956, and for which assistance is provided for by the Khadi and Village Industries Commission constituted under the Khadi and Village Industries Commission Act, 1956 (Central Act 61 of 1956) ".'

Sri B. D. JATTI.—This is only clarify the position of the Governme and make it clear that Governme need not advance any loan where t Corporation is advancing loans a similarly where the Khadi and Villa Industries Commission is advanci loans.

Mr. SPEAKER.—The question is:

'That for the second proviso to sub-clause (1), the following proviso shall be substituted, namely:—

" Provided further that aid shall not be given under this Act to—

(i) any industrial concern to which financial assistance may be given by the Corporation to the extent to which such assistance can be given under the State Financial Corporations Act, 1951;

(ii) any industry which is a village industry as defined in the Mysore Khadi and Village Industries Act, 1956, and for which assistance is provided for by the Khadi and Village Industries Commission constituted under the Khadi and Village Industries Commission Act, 1956 (Central Act 61 of 1956) ".'

The motion was adopted.

Sri B. D. JATTI.—Sir, I move :

"That sub-clause (2) shall be omitted, and sub-clauses (3) and (4) renumbered as sub-clauses (2) and (3) respectively."

Mr. SPEAKER.—The question is :

"That sub-clause (2) shall be omitted, and sub-clauses (3) and (4) renumbered as sub-clauses (2) and (3) respectively."

The motion was adopted.

Mr. SPEAKER.—The question is :

"That clause 6, as amended, stand part of the Bill."

The motion was adopted.

Clause 6, as amended, was added to the Bill.

Mr. SPEAKER.—Clause 7.

Sri B. D. JATTI.—Sir, I move :

"That sub-clause (*e*) shall be omitted, and sub-clauses (*f*) and (*g*) shall be relettered as sub-clauses (*e*) and (*f*) respectively."

Mr. SPEAKER.—The question is :

"That sub-clause (*e*) shall be omitted, and sub-clauses (*f*) and (*g*) shall be relettered as sub-clauses (*e*) and (*f*) respectively."

The motion was adopted.

Mr. SPEAKER.—The question is :

"That clause 7, as amended, stand part of the Bill."

The motion was adopted.

Clause 7, as amended, was added to the Bill.

Mr. SPEAKER.—Clause 8.

Sri B. D. JATTI.—Sir, I move :

'That for clause 8, the following clause shall be substituted, namely :—

"8. Grant of aid through the Corporation.—The Government may subject to such terms and conditions as the Government may deem fit, enter into contract with the Corporation for purposes of the Corporation acting as an agent of the Government in the transaction of any business with an industrial concern in respect of loans or advances granted, or debentures subscribed, by the Government.

Explanation.—For purposes of section 6 and this section 'industrial concern' shall have the same meaning as in the State Financial Corporations Act, 1951 (Central Act 63 of 1951)".'

Mr. SPEAKER.—Amendment moved :

'That for clause 8, the following clause shall be substituted, namely :—

"8. Grant of aid through the Corporation.—The Government may subject to such terms and conditions as the Government may deem fit, enter into contract with the Corporation for purposes of the Corporation acting as an agent of the Government in the transaction of any business with an industrial concern in respect of loans or advances granted, or debentures subscribed, by the Government.

Explanation.—For purposes of section 6 and this section 'industrial concern' shall have the same meaning as in the State Financial Corporations Act, 1951 (Central Act 63 of 1951)".'

Sri B. D. JATTI.—Since the Corporation is giving loans, etc., to the Joint Stock Companies and other industries, the Corporation will have to act as an agent of the Government of Mysore. So it does not require any more explanation.

Mr. SPEAKER.—The question is :

"That for clause 8, the following clause shall be substitued, namely :—

"8. Grant of aid through the Corporation.—The Government may subject to such terms and conditions as the Government may

deem fit, enter into contract with the Corporation for purposes of the Corporation acting as an agent of the Government in the transaction of any business with an industrial concern in respect of loans or advances granted, or debentures subscribed, by the Government.

Explanation.—For purposes of section 6 and this section 'industrial concern' shall have the same meaning as in the State Financial Corporations Act, 1951 (Central Act 63 of 1951)".'

The motion was adopted.

5-30 P.M.

Mr. SPEAKER.—The amendment tabled by Sri G. Venkatai Gowda does not survive.

The question is:

"That Clause 8, as amended, stand part of the Bill."

The motion was adopted.

Clause 8, as amended, was added to the Bill.

Mr. SPEAKER.—Clause 9.

Sri B. D. JATTI.—I beg to move:

'That for clause 9, the following clause shall be substituted, namely:—

'9. Procedure relating to grant of State Aid.—Applications for grant of State aid shall be made to such authorities and shall be considered and dealt with in such amnner as may be prescribed".'

Mr. SPEAKER.—Amendment moved:

'That for clause 9, the following clause shall be substituted, namely:—

"9. Procedure relating to grant of State Aid.—Applications for grant of State aid shall be made to such authorities and shall be considered and dealt with in such manner as may be prescribed".'

Sri B. D. JATTI.—The existing clause does not make provision for regulating procedure by rules. Such a provision is necessary and hence this amendment.

Mr. SPEAKER.—The question is:

'That for clause 9, the following clause shall be substituted, namely:—

"9. Procedure relating to grant of State Aid.—Applications for grant of State aid shall be made to such authorities and shall be considered and dealt with in such manner as may be prescribed".'

The motion was adopted.

Mr. SPEAKER.—The question is:

"That clause 9, as amended, stand part of the Bill."

The motion was adopted.

Clause 9, as amended, was added to the Bill.

Mr. SPEAKER.—Clauses 10 to 13. The question is:

"That Clauses 10 to 13, both inclusive, stand part of the Bill."

The motion was adopted.

Clauses 10 to 13, both inclusive, were added to the Bill.

Mr. SPEAKER.—Clause 14.

Sri G. VENKATAI GOWDA.—I beg to move:

"That for the words, 'unless the Government shall, by general or special order, extend the same' the words, 'or such period as the Government may by notification fix' shall be substituted."

Mr. SPEAKER.—Amendment moved:

"That for the words, 'unless the Government shall, by general or special order, extend the same', the words 'or such period as the Government may by notification fix' shall be substituted."

†**Sri G. VENKATAI GOWDA.**—My amendment is simple. Government is entitled to fix a period of ten years for

(SRI G. VENKATAI GOWDA)

repayment of the loan. But Government, under the Bill, has also been vested with the power of extending the period of repayment in certain cases. I am afraid that such discretion in the hands of Government may lead to abuses. They may favour certain industrialists to the prejudice of others. This would lead to undesirable favouritism. Let the Government fix a definite period and adhere to it strictly in all cases. May be the period is long; it may be fifteen or even twenty years. But my idea is that the Government should have no powers to discriminate one as against the other.

SRI B. D. JATTI.—This amendment seeks to restrict the power of Government in the matter of extending the period of repayment of loans. Sir, I submit there are really hard cases where some difficulty may be felt in the repayment. The difficulties may be genuine and beyond the power of the industry concerned. Government should therefore have the discretion to give assistance to industries in deserving cases.

MR. SPEAKER.—The question is:

"That for the words, 'unless the Government shall, by general or special order, extend the same,' the words, 'or such period as the Government may by notification fix' shall be substituted."

The motion was negatived.

MR. SPEAKER.—Clauses 15 and 16. The question is:

"That clauses 15 and 16 stand part of the Bill."

The motion was adopted.

Clauses 15 and 16 were added to the Bill.

MR. SPEAKER.—Clause 17.

SRI B. D. JATTI.—I beg to move:

"That in the heading, the words 'or guarantee of a minimum return on capital' shall be omitted."

MR. SPEAKER.—Amendment moved:

'That in the heading, the words 'or guarantee of a minimum return on capital' shall be omitted."

SRI B. D. JATTI.—This is merely consequential as a result of the amendment accepted to sub-clause (*e*) of Clause 7.

MR. SPEAKER.—The question is:

"That in the heading, the words 'or guarantee of a minimum return on capital' shall be omitted."

The motion was adopted.

SRI B. D. JATTI.—I beg to move:

'That in the clause, the following shall be omitted, namely:—

(i) "or the guarantee by the Government of a minimum return on the capital of a joint stock company."

(ii) proviso (*b*).'

MR. SPEAKER.—The question is:

'That in the clause, the following shall be omitted, namely:—

(i) "or the guarantee by the Government of a minimum return on the capital of a joint stock company."

(ii) Proviso (*b*).'

The motion was adopted.

MR. SPEAKER.—The question is:

"That clause 17, as amended, stand part of the Bill."

The motion was adopted.

Clause 17, as amended, was added to the Bill.

MR. SPEAKER.—Clause 18.

SRI B. D. JATTI.—I beg to move:

'That the words 'or of any payment under guarantee of a minimum return on the paid up capital" shall be omitted.'

Mr. SPEAKER.—The question is:

'That the words "or of any payment under guarantee of a minimum return on the paid up capital" shall be omitted.'

The motion was adopted.

Mr. SPEAKER.—The question is:

"That clause 18, as amended, stand part of the Bill."

The motion was adopted.

Clause 18, as amended, was added to the Bill.

Mr. SPEAKER.—Clauses 19 and 20. The question is:

"That clauses 19 and 20 stand part of the Bill."

The motion was adopted.

Clauses 19 and 20 were added to the Bill.

Mr. SPEAKER.—Clause 21.

Sri G. VENKATAI GOWDA.—I beg to move:

'That in sub-clause (1), after the words "the Government", the words "after hearing" shall be inserted.'

Mr. SPEAKER.—Amendment moved:

'That in sub-clause (1), after the words "the Government", the words "after hearing" shall be inserted.'

†Sri G. VENKATAI GOWDA.—Clause 21 is intended to lay down the grounds on which Government could terminate aid. Under the Bill Government is empowered to terminate aid for reasons to be recorded in writing. It is an accepted principle of natural justice that any party against whom an allegation is made should be given an opportunity to explain and plead his case first, before the proposed action is taken. If after hearing the party, Government is satisfied that it should terminate such aid, let it do so. But no such termination should be allowed before the party concerned has explained his case.

†Sri B. D. JATTI.—Before Government comes to a conclusion to terminate aid, Government will necessarily enquire into the working of the industry concerned. The amendment is, therefore, unnecessary.

Government will record in writing the reasons for terminating the aid. Before the officers who are working in the Industries Department go and see the working of the industry they will not come to such a conclusion. Finally, without recording the reasons for terminating the aid, the aid will not be terminated. Hence I oppose this amendment.

Mr. SPEAKER.—The question is:

'That in sub-clause (1), after the words "the Government", the words "after hearing" shall be inserted.'

The motion was negatived.

Sri C. J. MUCKANNAPPA.—Sir, Is it permissible for any member in the official gallery to carry with him an umbrella and a walking stick? I saw a member in the official gallery carrying an umbrella and a walking stick. Is it permissible?

Mr. SPEAKER:—It is not permissible. I thank the Hon'ble Member for drawing my attention to it.

Sri G. VENKATAI GOWDA.—Sir, I beg to move:

'That in sub-clause (2) (*b*) of clause 21, for the words "at a rate not exceeding nine per cent," the words "at such rate the Government may determine", be substituted.'

Mr. SPEAKER.—Amendment moved:

'That in sub-clause (2) (*b*) of clause 21, for the words "at a rate not exceeding nine per cent", the words "at such rate the Government may determine", be substituted.'

†Sri G. VENKATAI GOWDA.—Sir, whenever Government grants loans under the provisions of this Act I do not know what rate of interest they are going to charge. Probably, it may not exceed 6 per cent. The intention of this Act is to give aid by way of granting loans and subsidy to these industries. Such being the case, even when a loan is given, the interest will not exceed 6 per cent. Suppose a man who takes a subsidy failed to make use of that subsidy for the purpose for which it was taken, then Government is entitled under section 21 to terminate the aid. In such a case, is it justifiable to charge interest at 9 per cent which we are not charging even on the loan that we advance. Therefore, my suggestion is that whatever be the rate at which interest is charged on the loan, the same rate of interest should be charged for the amount of subsidy that is misapplied by the person. If Government are going to charge 12 per cent for the loan, then let them charge 12 per cent for the amount of subsidy misapplied also. Both the rates should be the same and that is why I have said "at such rate as the Government may determine."

†Sri B. D. JATTI.—Sir, the rate of interest that is mentioned in the clause is the maximum that can be charged, but the rate of interest that may be actually charged may be less than the maximum fixed depending upon the circumstances of the case. If the amendment is accepted, then the interest may exceed 12 per cent instead of the maximum of 9 per cent which is mentioned in the clause. Perhaps, that is not the intention of the Hon'ble Member. If this amendment is accepted it will give more power to Government to fix the rate of interest exceeding even 12 per cent. Hence I oppose this amendment.

Mr. SPEAKER.—The question is:

'That in sub-clause (2) (*b*) of clause 21, for the words "at a rate not exceeding nine per cent," the words "at such rate the Government may determine", be substituted.'

The motion was negatived.

Sri G. VENKATAI GOWDA.—Sir, I beg to move:

"That sub-clause (3) shall be deleted."

Mr. SPEAKER.—Amendment moved:

"That sub-clause (3) shall be deleted."

†Sri G. VENKATAI GOWDA.—Sir, this amendment takes me back to the other amendment to give a hearing to the grantee, which I had moved to clause 21. To that amendment, the Chief Minister was pleased to say that the officers would inspect the factory and record in writing the reasons for terminating the aid. But my submission is that sometimes by a wrong presumption they might come to certain conclusions and assign some reasons for terminating the aid. That is why I had said that an opportunity should be given to the grantee to explain his case. You have not only not provided for that, but you have prevented him from going to a court of law to vindicate that he has got a *prima facie* case. If you had agreed for granting him a hearing by issuing a show cause notice, then I would not have pressed for the deletion of this sub-clause. Now that you have not given him an opportunity to explain, I submit that this sub-clause should be deleted.

†Sri B. D. JATTI.—Sir, the intention of the Government is always to help new persons who want to start new industries. It is the intention of Government to revive the industries. It is always in the interest of the industrialists that the officers should go and examine the working of their industries. So there should not be any doubt in the mind of the member that Government are interested in discontinuing the aid which has been already given. The present sub-clause will have to be retained as it is and hence I oppose the amendment.

Mr. SPEAKER.—The question is:

"That sub-clause (3) shall be deleted."

The motion was negatived.

Mr. SPEAKER.—The question is:

"That Clause 21 stand part of the Bill."

The motion was adopted.

Clause 21 was added to the Bill.

Mr. SPEAKER.—The question is:

"That Clauses 22, 23 and 24 stand part of the Bill."

The motion was adopted.

Clauses 22, 23 and 24 were added to the Bill.

Mr. SPEAKER.—Clause 25.

Sri B. D. JATTI.—I beg to move:

"That in sub-clause (2), items (ii) and (iv) shall be omitted; in item (v) the words 'and the powers to be exercised by the Director of Industries conducting such inquiries' shall be omitted."

Mr. SPEAKER.—Amendment moved:

"That in sub-clause (2), items (ii) and (iv) shall be omitted; in item (v) the words 'and the powers to be exercised by the Director of Industries conducting such inquiries' shall be omitted."

Sri B. D. JATTI.—As there will be no State Industries Board there is no need to have item (ii) of sub-cluase (2) which relates to the Board. With the deletion of a portion of clause 9, there is no specific provision in the Bill relating to publication of notice of application for State aid. There is, therefore, no need for item (iv) of sub-clause (2). These two items are proposed to be deleted.

With the deletion of clause 3 there wil be no appointment of Director of Industries under this Bill. There is, therefore, no need to have in item (v) the provision relating to the Director of Industries. Item (v) is, therefore, proposed to be suitably amended.

Mr. SPEAKER.—The question is:

"That in sub-clause (2), items (ii) and (iv) shall be omitted; in item (v) the words 'and the powers to be exercised by the Director of Industries conducting such inquiries' shall be omitted."

The motion was adopted.

Mr. SPEAKER.—The question is:

"That Clause 25, as amended, stand part of the Bill."

The motion was adopted.

Clause 25, as amended, was added to the Bill.

Mr. SPEAKER.—The question is:

"That Clause 26 stand part of the Bill."

The motion was adopted.

Clause 26 was added to the Bill.

Mr. SPEAKER.—The question is:

"That Clause 1, the Title and the Preamble stand part of the Bill."

The motion was adopted.

Clause 1, the Title and the Preamble were added to the Bill.

Motion to pass.

Sri B. D. JATTI.—I beg to move:

"That the Mysore State Aid to Industries Bill, 1958, as amended, be passed."

Mr. SPEAKER.—The question is:

"That the Mysore State Aid to Industries Bill, 1958, as amended, be passed."

The motion was adopted.

Mr. SPEAKER.—The House now adjourns and will meet at 1 P.M. tomorrow.

The House adjourned at Fifty Minutes past Five of the Clock to meet again at One of the Clock on Wednesday, the 16th December 1959.

WD 2000—GPB—900- 3-6-1961